

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Mark Acton, Vice Chairman;
Nanci E. Langley; and
Robert G. Taub

Mail Classification Schedule Change
(Commercial First-Class Package Service)

Docket No. MC2011-29

ORDER APPROVING PROPOSED CLASSIFICATION CHANGE

(Issued October 11, 2011)

I. INTRODUCTION

On September 26, 2011, the Postal Service filed a notice with the Commission under 39 CFR 3020.90 and 3020.91 concerning a proposed classification change related to Commercial First-Class Package Service.¹ Specifically, it seeks to change the name “Commercial First-Class Package Service” in the Mail Classification Schedule (MCS) to “First-Class Package Service.” *Id.* at 1. The Postal Service intends for the proposed classification change to become effective on October 11, 2011. *Id.* The Commission approves the proposed classification change and makes conforming revisions to the draft MCS and the competitive product list.

¹ Notice of Minor Classification Change, September 26, 2011 (Notice).

II. BACKGROUND

The Postal Service asserts that it seeks this proposed classification change to make the MCS consistent with the Domestic Mail Manual (DMM). *Id.* at 3. On April 6, 2011, the Commission approved the Postal Service's request to add "Lightweight Commercial Parcels" as a new product to the competitive product list.² On August 12, 2011, the Postal Service requested that the Commission change all references to "Lightweight Commercial Parcels" in the MCS to "Commercial First-Class Package Service."³ A few days later, the Postal Service published a final rule in the *Federal Register* amending the DMM to reflect the addition of Lightweight Commercial Parcels to the competitive product list.⁴ For purposes of the DMM, the Postal Service renamed the product "First-Class Package Service." Notice at 1; *see also* 76 Fed. Reg. 51,258.

On August 31, 2011, the Commission approved the Postal Service's proposed name change from "Lightweight Commercial Parcels" to "Commercial First-Class Package Service."⁵ To ensure consistency between the MCS and DMM, the Commission directed the Postal Service to make conforming changes to the DMM to reflect this change. *Id.*

In response, the Postal Service filed the proposed classification change to make the MCS consistent with the DMM. Notice at 3. It explains that it would prefer to use the name "First-Class Package Service" rather than "Commercial First-Class Package Service" in both the MCS and DMM to simplify references to the product name. *Id.* at 2. Thus, it proposes to rename "Commercial First-Class Package Service" to "First-Class Package Service" in the MCS. *Id.* at 3.

² Docket No. MC2011-22, Order No. 710, Order Adding Lightweight Commercial Parcels to the Competitive Product List, April 6, 2011, at 1, 11.

³ Docket No. MC2011-28, Notice of Minor Classification Change, August 12, 2011.

⁴ First-Class Package Service, 76 Fed. Reg. 51,257 (Aug. 18, 2011).

⁵ Docket No. MC2011-28, Order Regarding Commercial First-Class Package Service, August 31, 2011 at 6 (Order No. 835).

In Order No. 877, the Commission docketed the Notice, provided an opportunity for interested persons to comment on the proposed classification change, and appointed a Public Representative.⁶ No comments were filed in this proceeding.

III. COMMISSION ANALYSIS

In Order No. 835, the Commission indicated that it has concerns regarding the proposed new product name and its use of the term “First-Class,” which has been traditionally reserved for monopoly products. Order No. 835 at 5. However, the Commission was encouraged by the Postal Service’s assurances that the product will have the same service attributes as First-Class Mail and use the same transportation network. *Id.* at 6. As this is a competitive product, the Commission did not find the proposed name “Commercial First-Class Package Service” to be deceptive and permitted this change to the MCS. *Id.*

The Commission directed the Postal Service to revise the DMM to ensure that both the MCS and DMM use the same product name “Commercial First-Class Package Service.” *Id.* at 6-7. The Commission explained that the MCS and DMM are complementary documents that should be consistent with each other. *Id.* at 6. It maintained that product names in both documents should match to enhance transparency, accountability, recordkeeping, and financial reporting. *Id.* It stated that matching product names would also minimize inconsistencies between the two documents that could cause customer confusion. *Id.*

The Postal Service did not make conforming changes to the DMM as directed by Order No. 835. Instead, the Postal Service filed the Notice proposing to revise the MCS to make it consistent with the DMM. Notice at 3. The Postal Service explains why it seeks to revise the MCS rather than the DMM. It states that if the product names in both the MCS and DMM must match, then it would prefer to use the simpler name

⁶ Notice and Order Concerning Classification Change, September 27, 2011 (Order No. 877).

“First-Class Package Service,” which is the product name already used in the DMM. *Id.* at 2; see *also* DMM §§ 401 *et seq.*

The proposed classification change does not technically comply with Order No. 835. However, it does address the Commission’s concerns about ensuring consistency in product names in both the MCS and DMM. See Order No. 835 at 6. Thus, the Commission approves the proposed classification change as consistent with 39 CFR 3020.90 and 3020.91 and not inconsistent with 39 U.S.C. § 3642. It shall make conforming modifications to the draft MCS with an effective date of October 11, 2011. A conforming revision to the competitive product list is also necessary to ensure consistency with the proposed classification change in the MCS. The revision to the competitive product list appears below the signature of this Order and is effective as of October 11, 2011.

It is ordered:

1. The proposed classification change is approved as consistent with 39 CFR 3020.90 and 3020.91 and not inconsistent with 39 U.S.C. § 3642.
2. The draft Mail Classification Schedule and the competitive product list shall be modified as indicated in the body of this Order with an effective date of October 11, 2011.
3. The Secretary shall arrange for publication in the *Federal Register* of an updated product list reflecting the change made in this Order.

By the Commission.

Shoshana M. Grove
Secretary

CHANGE IN MAIL CLASSIFICATION SCHEDULE
CHANGE IN COMPETITIVE PRODUCT LIST

The following material represents a change to the competitive product list codified in Appendix A to 39 CFR part 3020, subpart A—Mail Classification Schedule. This change reflects the Commission's order in Docket No. MC2011-29. The Commission uses two main conventions when making changes to the product lists. New text is underlined. Deleted text is struck through.

PART B—Competitive Products

2000 Competitive Product List

* * * * *

~~Lightweight Commercial Parcels~~ First-Class Package Service

* * * * *